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HON. WHITMAN L. HOLT

HEARING DATE: April 14, 2021
HEARING TIME: 11:00 a.m. PT
RESPONSE DUE: April 7, 2021 at
5:00 pm PT

LOCATION: Telephonic

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Debtors and Debtors in Possession*

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re

EASTERDAY RANCHES, INC., *et al.*

Debtors.¹

Chapter 11

Lead Case No. 21-00141-11
Jointly Administered

**DEBTORS' MOTION FOR AN ORDER
ESTABLISHING INTERIM FEE
APPLICATION AND EXPENSE
REIMBURSEMENT PROCEDURES;
MEMORANDUM OF POINTS AND
AUTHORITIES; DECLARATION OF T.
SCOTT AVILA**

¹ The Debtors along with their case numbers are as follows: Easterday Ranches, Inc., (21-00141) and Easterday Farms, a Washington general partnership (21-00176).

DEBTORS' MOTION FOR ORDER
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **INTRODUCTION**

3 The Debtors request that the Court enter an order approving procedures for
4 Professionals who are employed or may be employed in these chapter 11 cases
5 pursuant to orders of this Court to (i) receive monthly payments on account of fees
6 earned and costs incurred in connection with the Debtors' bankruptcy cases, and (ii)
7 file periodic applications for approval of interim fees and reimbursement of expenses
8 incurred pursuant to section 331 of title 11 of the United States Code (the "Bankruptcy
9 Code"). The Debtors believe that adoption of the interim fee and expense
10 reimbursement procedures set forth herein is fair and reasonable and in the best
11 interests of the Debtors' estates.

12 **STATEMENT OF FACTS**

13 **A. Jurisdiction and Venue**

14 The court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and
15 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper
16 pursuant to 28 U.S.C. §§ 1408 and 1409.

17 **B. General Background**

18 On February 1, 2021 (the "Ranches Petition Date"), Debtor Easterday Ranches,
19 Inc. filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code
20 before this court.

21 On February 8, 2021 (the "Farms Petition Date", together with the Ranches
22 Petition Date, the "Petition Dates"), Debtor Easterday Farms, a Washington general
23 partnership ("Farms" and together with Ranches, the "Debtors"), also filed a voluntary
24 petition for relief under chapter 11 of the Bankruptcy Code before this court.

25 The Debtors continue to operate and manage their business and affairs as
26 debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

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1 Additional information about the Debtors' historical business operations, capital
2 structure, and the events leading up to the commencement of these Chapter 11 Cases,
3 is set forth in the *Declaration of T. Scott Avila in Support of First Day Motions*
4 [Docket No. 93], which is incorporated herein by reference.

5 **RELIEF REQUESTED**

6 The Debtors' bankruptcy cases have required the retention of several attorneys,
7 advisors and special counsel (collectively, the "Retained Professionals") representing
8 the Debtors and the Official Committees of Unsecured Creditors, respectively.
9 Implementation of procedures for paying and monitoring interim compensation on a
10 monthly basis will allow parties in interest – and in particular the Debtors – to obtain
11 qualified assistance and guidance, as well as to monitor and control professional fees
12 and costs for the benefit of the estates. In addition, if the Professionals in these cases
13 are required to wait several months for payment and reimbursement, the Retained
14 Professionals will essentially be compelled to finance the cases, which many courts
15 have found discourages competent professionals from participating in bankruptcy
16 cases.

17 By this Motion, the Debtors seek authorization, pursuant to Bankruptcy Code
18 sections 330 and 331, Rule 2016 of the Federal Rules of Bankruptcy Procedures (the
19 "Bankruptcy Rules"), and Rule 2016 of the United States Bankruptcy Court Eastern
20 District of Washington Local Rules (the "Local Bankruptcy Rules"), to establish an
21 orderly, regular process for allowance and payment of compensation and
22 reimbursement for a Retained Professional whose services are authorized by this
23 Court pursuant to sections 327 or 1103 of the Bankruptcy Code and who will be
24 required to file applications for allowance of compensation and reimbursement of
25 expenses pursuant to sections 330 and 331 of the Bankruptcy Code and Bankruptcy
26 Rule 2016(a).

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1 The procedures set forth in this Motion are designed to balance the interests of
2 the Retained Professionals with the Court's and creditors' interests in assuring that
3 fees are only paid after appropriate notice and an opportunity for a hearing. As set
4 forth herein, the proposed interim fee procedures are consistent with procedures
5 implemented in other bankruptcy cases in this district. Accordingly, the Debtor
6 respectfully requests that the Court grant the Motion in its entirety.

7 **PROPOSED INTERIM FEE PROCEDURES**

8 In connection with the administration of these cases, the Debtors and any
9 official committee have employed and will employ Retained Professionals that will be
10 subject to the Bankruptcy Code provisions relating to their compensation. Section
11 331 of the Bankruptcy Code authorizes these Retained Professionals to file
12 applications for interim compensation once every 120 days unless the Court permits
13 them more frequently, if the case warrants.

14 The Debtors believe that it is both necessary and appropriate to establish
15 procedures for paying and monitoring the interim compensation due from the estates
16 on a monthly basis. By reviewing the amounts requested on a monthly basis rather
17 than every 120 days, the Debtors, any official committee, secured creditors, the Office
18 of the United States Trustee and other parties in interest will be in a better position to
19 monitor and control the costs and fees of Retained Professionals on a current basis.
20 Additionally, the various Retained Professionals already have devoted and will be
21 required to devote substantial time, effort and expense to the Debtors' cases. The
22 absence of procedures for awarding interim compensation on a current basis would
23 cause undue financial burdens on the Retained Professionals, unfairly compel the
24 Retained Professionals to finance the case, and discourage other Retained
25 Professionals whose services the Debtors or any official committee desires to use from
26 accepting or continuing employment in these cases.

27 DEBTORS' MOTION FOR ORDER
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1 Therefore, the Debtors request that the Court adopt the following procedures for
2 awarding interim compensation and reimbursement of expenses to all Retained
3 Professionals whose fees are paid on a time and expense (as opposed to a
4 contingency) basis:

5 a. Each Professional seeking the payment of interim compensation
6 concerning the previous calendar month(s) shall file with the court
7 and serve by electronic mail delivery, an application for interim
8 compensation and reimbursement of expenses (the “Monthly Fee
9 Application”) on (i) the Debtors, c/o Paladin Management Group,
10 LLC, 633 West Fifth Street, 28th Floor, Los Angeles, CA 900071,
11 Attn: T. Scott Avila (savila@paladinmgmt.com) and Peter Richter
12 (prichter@paladinmgmt.com); (ii) attorneys for the Debtors, (a)
13 Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Blvd.,
14 13th Floor, Los Angeles, CA 90067, Attn: Jeff Dulberg
15 (jdulberg@pszjlaw.com) and Jason Rosell (jrosell@pszjlaw.com)
16 and (b) Bush Kornfeld LLP, 601 Union Street, Suite 5000, Seattle,
17 WA 98101, Attn: Thomas Buford (tbuford@bskd.com) and
18 Richard Keeton (rkeeton@bskd.com); (iii) attorneys for the
19 Official Committee of Unsecured Creditors of Ranches (the
20 “Ranches Committee”), Dentons US LLP, 1900 K Street NW,
21 Washington DC 20006, Attn: Sam J. Alberts
22 (sam.alberts@dentons.com) and Sarah Schrag
23 (sarah.schrag@dentons.com); (iv) attorneys for the Official
24 Committee of Unsecured Creditors of Farms (the “Farms
25 Committee”), Buchalter, (a) 1000 Wilshire Blvd., Suite 1500, Los
26 Angeles, CA 90017-1730, Attn: Julian Gurule
27 (jgurule@buchalter.com) and (b) 14250 5th Avenue, Suite 3100,
28 Seattle, WA 98101, Attn: Joseph Welch (jwelch@buchalter.com);
(v) the Office of the United States Trustee (the “U.S. Trustee”),
United States Department of Justice, 920 West Riverside Avenue,
Room 593, Spokane, WA 99201, Attn: Gary W. Dyer
(Gary.W.Dyer@usdoj.gov) (collectively, the “Notice Parties”).

b. The first Monthly Fee Application (the “Initial Monthly Fee
Application”), shall cover fees and expenses incurred from the
Petition Dates through March 31, 2021 (the “Initial Period”).

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- c. To the extent filed, each Monthly Fee Application shall relate to services rendered and expenses incurred during the prior month, except for the Initial Monthly Fee Application that will cover the Initial Period. Each Monthly Fee Application shall seek payment of interim compensation in an amount equal to 80% of the fees sought and 100% of the expenses incurred during the prior month, or the Initial Period, as the case may be; and shall indicate the amount requested, the total time expended, the names of the individuals who performed the services, and the hourly billing rate for each such individual. Each Monthly Fee Application shall be accompanied by a detailed listing of the time expended by the individuals who performed the services and the costs incurred during the pertinent month or Initial Period, as applicable. A proposed form for the Monthly Fee Application is annexed hereto as Exhibit A.
- d. Each Professional electing to file a Monthly Fee Application shall: (1) serve a copy of said Monthly Fee Application on the Notice Parties and (2) serve a notice of said Monthly Fee Application, substantially in the form of notice annexed hereto as Exhibit B (the “Notice”) on any party who has requested special notice as of the date of the Notice.
- e. Any objection to the payment of fees or reimbursement of expenses in a Monthly Fee Application must be filed with the court and served on the Professional whose Monthly Fee Application is the subject of the objection, and the Notice Parties within fourteen (14) calendar days of the date the Notice was mailed (the “Objection Period”). If no objection is timely filed and served within the Objection Period, the Monthly Fee Application shall be deemed approved on an interim basis, and the Debtors shall be authorized to pay 80% of the fees and 100% of the expenses requested in the Monthly Fee Application without the court holding a hearing or entering any further order thereon. If an objection is timely filed and served, then the Debtors shall be authorized to pay 80% of the fees and 100% of the expenses requested in the Monthly Fee Application that are undisputed. Any disputed amounts shall be considered by the court at the next

1 hearing to be held pursuant to paragraph f. below or at such other
2 time as may be noticed by the Professional whose Monthly Fee
3 Application is the subject of a timely filed written objection.

4 f. Notwithstanding the filing of the Monthly Fee Applications and
5 payment thereof, within thirty days after the end of each three-
6 month period, commencing with the period that ends May 31,
7 2021, each Professional who has elected to file a Monthly Fee
8 Application or is seeking interim compensation shall file with the
9 Court and serve on the Notice Parties an interim fee application
10 with a summary of the activities of the Professional (the "Interim
11 Application"), in accordance with section 331 of the Bankruptcy
12 Code, Bankruptcy Rules 2016 and 2002(a)(6) and the Local
13 Bankruptcy Rules. The Interim Applications may seek approval of
14 up to 100% (including the 20% of fees held back from Monthly
15 Fee Applications) of the requested interim compensation and
16 reimbursement of expenses, including any compensation and
17 reimbursement covered by the Monthly Fee Applications, during
18 the prior three-month period. All subsequent quarterly fee
19 applications and hearings shall be held in accordance with the
20 Local Bankruptcy Rules and the Federal Rules of Bankruptcy
21 Procedure.

22 g. The failure of any party to raise an objection to a Monthly Fee
23 Application shall not be deemed a waiver of such objection for
24 purposes of the Interim Application. The failure of any party to
25 raise an objection to a Monthly Fee Application or Interim
26 Application shall not be deemed a waiver of such objection for
27 purposes of final applications for allowance of fees and
28 reimbursement of expenses pursuant to section 330 of the
Bankruptcy Code. Nothing in this Motion or in the interim
procedures set forth herein shall relieve any Professional from the
obligation to file final fee applications.

**THE INTERIM FEE PROCEDURES FOR
RETAINED PROFESSIONALS IS APPROPRIATE**

Section 331 of the Bankruptcy Code provides for the payment of interim compensation for professionals retained by debtors in possession and creditors' committees:

A trustee, an examiner, a debtor's attorney, or any professional person employed under section 327 or 1103 of this title may apply to the court not more than once every 120 days after an order for relief in a case under this title, *or more often if the court permits*, for such compensation for services rendered before the date of such an application or reimbursement for expenses incurred before such date as is provided under section 330 of this title. After notice and a hearing, the court may allow and disburse to such applicant such compensation or reimbursement.

11 U.S.C. § 331 (emphasis added).

In enacting the professional compensation provisions of the Bankruptcy Code, Congress adopted the principle that "[p]rofessionals in bankruptcy cases are entitled to be paid on a comparable basis to other privately retained counsel, both in terms of timeliness and amount of payment." *See In re Commercial Consortium of California*, 135 B.R. 120, 123 (Bankr. C.D. Cal. 1991) (citing *Burgess v. Klenske (In re Manoa Finance Co., Inc.)*, 853 F.2d 687, 690 (9th Cir. 1988)); *In re Nucorp Energy, Inc.*, 764 F.2d 655, 658-59 (9th Cir. 1985); *First National Bank of Chicago v. Committee of Creditors Holding Unsecured Claims (In re Powerine Oil Co.)*, 71 B.R. 767, 770 (B.A.P. 9th Cir. 1986).

Congress' intent in enacting section 331 of the Bankruptcy Code is expressed unequivocally in the House and Senate Reports accompanying enactment of the Bankruptcy Code:

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1 The court may permit more frequent applications if the
2 circumstances warrant, such as in very large cases where the
3 legal work is extensive and merits more frequent payments.
4 The court is authorized to allow and order disbursement to the
5 applicant of compensation and reimbursement that is otherwise
allowable under section 330.

6 H.R. Rep. No. 595, 95th Cong., 1st Sess. 330 (1977); S. Rep. No. 989, 95th Cong., 2d
7 Sess. 41-42 (1978).

8 The Bankruptcy Appellate Panel for the Ninth Circuit made clear that interim
9 payments for professionals on a monthly basis are entirely appropriate. *See United*
10 *States Trustee v. Knudsen Corp. (In re Knudsen Corp.)*, 84 B.R. 668 (B.A.P. 9th Cir.
11 1988) (footnote omitted). In *Knudsen*, the Court observed that one cannot ignore “the
12 problem . . . is that when counsel must wait an extended period for payment, counsel
13 is essentially compelled to finance the reorganization. This result is improper and
14 may discourage qualified practitioners from participating in bankruptcy cases; a result
15 that is clearly contrary to Congressional intent.” *Id.* at 672. *Knudsen* holds that,
16 monthly payments to professionals are appropriate without prior approval of the Court
17 so long as made pursuant to a procedure that provides the opportunity for subsequent
18 review by the Court. *Knudsen*, 84 B.R. at 671-72. The procedure proposed herein
19 provides ample opportunity for such review.

20 Other bankruptcy courts have also addressed the issue of monthly compensation
21 of professionals. In analyzing section 331 of the Bankruptcy Code, then Bankruptcy
22 Judge Fenning held that “[t]he essential purpose of this section is to relieve counsel
23 and other professionals of the burden of financing lengthy bankruptcy proceedings.”
24 *Commercial Consortium*, 135 B.R. at 123. The Court noted, however, that in certain
25 cases even payments once every 120 days are no longer sufficient to keep bankruptcy
26 counsel on par with other lawyers:

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1 In 1978, when the Code was enacted, attorneys customarily
2 billed their clients on a quarterly basis. Times have changed.
3 Lawyers now run their practices in a more business-like
4 fashion. Computerization has simplified and speeded the
5 billing process. As widely documented in the legal press, the
6 billing cycle has shifted to monthly statements. The 120-day
7 provision of Section 331, intended to be a help to lawyers in
8 1978, has become a straight-jacket for the lawyers of the '90s.
Thus, even payments every 120 days no longer compensate
bankruptcy attorneys on a fully equivalent basis with their non-
bankruptcy colleagues.

9 *Id.* at 123-24. Because of the significant problems caused by permitting payments to
10 professionals only once every 120 days, Judge Fenning recognized that more frequent
11 payments are “commonly authorized” so as “to help avoid undue delays in payment.”
12 *Id.* at 124, 127 (citing *Knudsen*, 84 B.R. at 672).

13 The proposed fee procedures are consistent with both section 331 of the
14 Bankruptcy Code, which provides that professionals may be paid after “notice and a
15 hearing,” and the court’s statement in *In re Pacific Forest Indus., Inc.*, 95 B.R. 740,
16 745 (Bankr. C.D. Cal. 1989), that “it is only after notice and hearing that the Court
17 may allow and disburse ... compensation to the applicant.”

18 Indeed, such procedures were found to be appropriate in *Knudsen* and
19 *California Consortium* and have been approved in dozens of cases since, including
20 recently in cases in Washington, such cases as *In re Astria Health*, Case No. 19-
21 01189-WLH-11 (Bankr. E.D. Wash.) [Docket No. 453]; *In re Metropolitan Mortgage*
22 *& Securities Co., Inc.* Case No. 04-00757-W-11 (Bankr. E.D. Wash.) [Docket No.
23 426]; *In re The Catholic Bishop of Spokane a/k/a The Catholic Diocese of Spokane*
24 Case No. 04-08822-PCW-11 (Bankr. E.D. Wash.) [Docket No. 204]; and *In re Ocean*
25 *Services, LLC* Case No. 18-13512-TWD (Bankr. W.D. Wash.) [Docket No. 76].

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1 CONCLUSION

2 The interim fee procedure outlined above alleviates the financial burden on the
3 professionals employed in these cases, complies with the requirements of Bankruptcy
4 Code section 331, is consistent with Ninth Circuit precedent, and accords with the
5 procedure that the U.S. Trustee recommended in the *Knudsen* case.

6 For these reasons, the court should permit Professionals in these cases to file
7 both Monthly Fee Applications and Interim Fee Applications as provided herein and,
8 therefore, the Debtors respectfully request that this Court grant the Motion in its
9 entirety and authorize the interim fee procedure set forth herein

10 DATED March 24, 2021

BUSH KORNFELD LLP

11 /s/ Thomas A. Buford, III

12 THOMAS A. BUFORD, III (WSBA 52969)
13 BUSH KORNFELD LLP

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15 JEFFREY W. DULBERG (Admitted *Pro Hac Vice*)
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18 *Attorneys for Debtors and Debtors in Possession*

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27 DEBTORS' MOTION FOR ORDER
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1 6. The procedures set forth in the Motion are designed to balance the
2 interests of the Professionals with the court's and creditors' interests in assuring that
3 fees are only paid after appropriate notice and an opportunity for a hearing.

4 7. The Debtors believe that it is both necessary and appropriate to establish
5 a procedure for paying and monitoring the interim compensation due from the estates
6 on a monthly basis. By reviewing the amounts requested on a monthly basis rather
7 than every 120 days, the Debtors, the Committees, the U.S. Trustee and other parties
8 in interest will be in a better position to monitor and control the costs and fees of
9 Professionals on a current basis.

10 8. Additionally, the various Professionals already have devoted and will be
11 required to devote substantial time, effort, money, and expense to these cases. The
12 absence of a procedure for awarding interim compensation on a current basis would
13 cause undue financial burdens on the Professionals, unfairly compel the Professionals
14 to finance these cases, and might discourage other Professionals whose services the
15 Debtors and any official committee might require from continuing employment in
16 these cases.

17 9. The Debtors believe that the procedures outlined in the Memorandum of
18 Points and Authorities are appropriate and are requesting by way of the Motion that
19 the Court approve those procedures as set forth therein.

20 10. Nothing in the Motion or the Memorandum of Points and Authorities or
21 in the interim procedures set forth therein is intended to relieve any Professional from
22 the obligation to file an Interim Fee Application and a Final Application.

23 I declare under penalty of perjury under the laws of the State of Washington
24 that the foregoing is true and correct.

25 Dated: March 24, 2021

/s/ T. Scott Avila

T. Scott Avila

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EXHIBIT A
MONTHLY FEE APPLICATION

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[Professional Contact Information]

HON. WHITMAN L. HOLT

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re

Chapter 11

EASTERDAY RANCHES, INC., *et al.*

Lead Case No. 21-00141-11
Jointly Administered

Debtors.²

**MONTHLY FEE APPLICATION OF
[Name of Professional] FOR
ALLOWANCE AND PAYMENT OF
INTERIM COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR
THE PERIOD [Month, Year]**

[No Hearing Required Pursuant to L.B.R.
2002-1(c)(1)]

[Name of Professional] (the “Firm”) submits its Monthly Fee Application (the “Application”) for Allowance and Payment of Interim Compensation and Reimbursement of Expenses for the Period [_____, 2021] – [_____, 2021] (the “Application Period”) for work performed for [the Debtors, or the applicable Official Committee of Unsecured Creditors]. In support of the Application, the Firm respectfully represents as follows:

² The Debtors along with their case numbers are as follows: Easterday Ranches, Inc., (21-00141) and Easterday Farms, a Washington general partnership (21-00176).

The Firm is _____ to [the Debtors or the Official Committee that has employed the Firm]. The Firm hereby applies to the Court for allowance and payment of interim compensation for services rendered and reimbursement of expenses incurred during the Application Period.

1. The Firm billed a total of \$ _____ in fees and expenses during the Application Period. The total fees represent _____ hours expended during the period covered by this Application. These fees and expenses break down as follows:

Period	Fees	Expenses	Total
	\$	\$	\$

2. Accordingly, the Firm seeks allowance of interim compensation in the amount of a total of \$ _____ at this time. This total is comprised as follows: \$ _____ (80% of the fees for services rendered) plus \$ _____ (100% of the expenses incurred).

3. For the postpetition period, the Firm has been paid to date as follows:

Application Period	Amount	Description
First (_____ - _____)	\$	80% of fees and 100% of expenses
Second (_____ - _____)	\$	80% of fees and 100% of expenses
Total Paid To The Firm To Date	\$	

4. To date, the Firm is owed as follows (excluding amounts owed pursuant to this Application):

Application Period	Amount	Description
First (_____ - _____)	\$	20% fee holdback
Second (_____ - _____)	\$	20% fee holdback
Total Owed To the Firm To Date	\$	

1 5. Attached as **Exhibit A** hereto is the name of each professional who
2 performed services in connection with this case during the period covered by this
3 Application and the hourly rate for each such professional. Attached hereto as
4 **Exhibit B** are the detailed time and expense statements for the Application Period.

5 6. The Firm has served a copy of this Application on the above-captioned
6 debtors (the “Debtors”), counsel to the Debtors, counsel to the Official Committees of
7 Unsecured Creditors appointed in these cases, and the Office of the United States
8 Trustee. The Application was mailed by first class mail, postage prepaid, on or about
9 _____, 2021. Notice of the filing of this Application was served on the
10 foregoing parties as well as any party who has requested special notice in these
11 chapter 11 cases as of the date of the Notice. The Notice was mailed by first class
12 mail, postage prepaid, on or about _____, 2021.

13 7. Pursuant to this court’s *Order Authorizing Interim Fee Application and*
14 *Expense Reimbursement Procedures* that was entered on or about April __, 2021, the
15 Debtors are authorized to make the payment requested herein without a further
16 hearing or order of this court unless an objection to this Application is filed with the
17 court and served upon the Notice Parties within fourteen (14) calendar days after the
18 date of mailing of the Notice of this Application. If such an objection is filed, the
19 Debtors are authorized to pay 80% of the uncontested fees and 100% of the
20 uncontested expenses without further order of the court. If no objection is filed, the
21 Debtors are authorized to pay 80% of all fees requested in the Application and 100%
22 of the uncontested expenses without further order of the court.

23 8. The interim compensation and reimbursement of expenses sought in this
24 Application are not final. Upon the conclusion of these cases, the Firm will seek fees
25 and reimbursement of the expenses incurred for the totality of the services rendered in
26 these cases. Any interim fees or reimbursement of expenses approved by this court
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1 and received by the Firm (along with any retainer) will be credited against such final
2 fees and expenses as may be allowed by this court.

3 WHEREFORE, the Firm respectfully requests that the Debtors pay
4 compensation to the Firm as requested herein pursuant to and in accordance with the
5 terms of the Order Authorizing Interim Fee Procedures.

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7 Dated: _____ [FIRM NAME]

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EXHIBIT B
Notice of Monthly Fee Application

[Professional Contact Information]

HON. WHITMAN L. HOLT

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re

EASTERDAY RANCHES, INC., *et al.*

Debtors.³

Chapter 11

Lead Case No. 21-00141-11
Jointly Administered

**NOTICE OF MONTHLY FEE
APPLICATION OF [Name of
Professional] FOR ALLOWANCE AND
PAYMENT OF INTERIM
COMPENSATION AND
REIMBURSEMENT OF EXPENSES
FOR THE PERIOD [Month, Year]**

[No Hearing Required Pursuant to L.B.R.
2002-1(c)(1)]

**TO: THE OFFICE OF THE UNITED STATES TRUSTEE, THE OFFICIAL
COMMITTEES OF UNSECURED CREDITORS, AND OTHER PARTIES IN
INTEREST**

PLEASE TAKE NOTICE that the professional listed on the chart below (the
“Professional”) has applied to the United States Bankruptcy Court for the Eastern
District of Washington for allowance and payment of interim compensation for

³ The Debtors along with their case numbers are as follows: Easterday Ranches, Inc.,
(21-00141) and Easterday Farms, a Washington general partnership (21-00176).

services rendered and reimbursement of expenses incurred during the period commencing _____, 2021 and ending _____, 2021 (the “Application Period”). As detailed below, the Professional seeks allowance and payment of interim compensation for 80% of the fees for services rendered, plus 100% of the expenses incurred during the Application Period.

Professional's Name and Address	Position	Application Period	Total (100%) Fees Incurred	Total (100%) Expenses Incurred	80% of Fees Incurred	Total requested in this Application (80% of Fees and 100% of Expenses)	Hold Back (20% of fees)

Pursuant to the *Order Authorizing Interim Fee Application and Expense Reimbursement Procedures* which was entered by the court on or about April __, 2021 [Docket No. ____], any party objecting to the allowance and payment of interim compensation and reimbursement of expenses as requested must file a written objection with the Court and serve a copy of that objection upon the Professional whose Monthly Fee Application is the subject of the objection, the Debtors and their counsel of record, each of the Committees and their counsel of record, and the Office of the United States Trustee within fourteen (14) calendar days of the date that this Notice was mailed.

If an objection is timely filed and served, the Debtors will pay the Professional whose application is the subject of an objection only the applicable percentage of those amounts not in dispute and will reserve any amounts in dispute for payment after the Court hears and resolves such dispute.

Dated: _____ [FIRM NAME]

[INDIVIDUAL]

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10 UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

11 In re

12 EASTERDAY RANCHES, INC., *et al.*
13 Debtors.¹

Chapter 11

Lead Case No. 21-00141-11
Jointly Administered

14 **[PROPOSED] ORDER**
15 **AUTHORIZING INTERIM**
16 **FEE APPLICATION AND**
EXPENSE REIMBURSEMENT
PROCEDURES

17 Upon the *Debtors' Motion for an Order Establishing Interim Fee Application*
18 *and Expense Reimbursement Procedures* [Docket No. ____] (the "Motion") filed by the
19 above-captioned debtors and debtors in possession (collectively, the "Debtors"); and it
20 appearing that the relief requested is in the best interests of the Debtors' estates and
21 creditors; and it appearing that this court has jurisdiction over this matter pursuant to
22 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding
23 pursuant to 28 U.S.C. § 157(b); and adequate notice of the Motion having been given
24 and the court having granted relief to provide limited notice with respect to the

25 _____
26 ¹ The Debtors along with their case numbers are as follows: Easterday Ranches, Inc.
(21-00141) and Easterday Farms, a Washington general partnership (21-00176).

27 ORDER AUTHORIZING INTERIM FEE
28 APPLICATION AND EXPENSE
REIMBURSEMENT PROCEDURES – Page 1

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1 abandonment request for relief; and after due deliberation and sufficient cause
2 appearing therefor;

3 **IT IS HEREBY ORDERED THAT:**

4 1. The Motion is granted as set forth herein.
5 2. The professionals retained pursuant to an Order of the Court in these
6 3. cases (collectively, “Professionals”) may seek monthly payment of
7 compensation and reimbursement of expenses in accordance with the following
8 procedures:

9 a. Each Professional seeking the payment of interim compensation
10 concerning the previous calendar month(s) shall file with the court
11 and serve by electronic mail delivery, an application for interim
12 compensation and reimbursement of expenses (the “Monthly Fee
13 Application”) on (i) the Debtors, c/o Paladin Management Group,
14 LLC, 633 West Fifth Street, 28th Floor, Los Angeles, CA 900071,
15 Attn: T. Scott Avila (savila@paladinmgmt.com) and Peter Richter
16 (prichter@paladinmgmt.com); (ii) attorneys for the Debtors, (a)
17 Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Blvd.,
18 13th Floor, Los Angeles, CA 90067, Attn: Jeff Dulberg
19 (jdulberg@pszjlaw.com) and Jason Rosell (jrosell@pszjlaw.com)
20 and (b) Bush Kornfeld LLP, 601 Union Street, Suite 5000, Seattle,
21 WA 98101, Attn: Thomas Buford (tbuford@bskd.com) and
22 Richard Keeton (rkeeton@bskd.com); (iii) attorneys for the
23 Official Committee of Unsecured Creditors of Ranches (the
24 “Ranches Committee”), Dentons US LLP, 1900 K Street NW,
25 Washington DC 20006, Attn: Sam J. Alberts
26 (sam.alberts@dentons.com) and Sarah Schrag
27 (sarah.schrag@dentons.com); (iv) attorneys for the Official
28 Committee of Unsecured Creditors of Farms (the “Farms
Committee”), Buchalter, (a) 1000 Wilshire Blvd., Suite 1500, Los
Angeles, CA 90017-1730, Attn: Julian Gurule
(jgurule@buchalter.com) and (b) 14250 5th Avenue, Suite 3100,
Seattle, WA 98101, Attn: Joseph Welch (jwelch@buchalter.com);
(v) the Office of the United States Trustee (the “U.S. Trustee”),
United States Department of Justice, 920 West Riverside Avenue,

ORDER AUTHORIZING INTERIM FEE
APPLICATION AND EXPENSE
REIMBURSEMENT PROCEDURES – Page 2

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Room 593, Spokane, WA 99201, Attn: Gary W. Dyer
(Gary.W.Dyer@usdoj.gov) (collectively, the “Notice Parties”).

- b. The first Monthly Fee Application (the “Initial Monthly Fee Application”), shall cover fees and expenses incurred from the Petition Dates through March 31, 2021 (the “Initial Period”).
- c. To the extent filed, each Monthly Fee Application shall relate to services rendered and expenses incurred during the prior month, except for the Initial Monthly Fee Application that will cover the Initial Period. Each Monthly Fee Application shall seek payment of interim compensation in an amount equal to 80% of the fees sought and 100% of the expenses incurred during the prior month, or the Initial Period, as the case may be; and shall indicate the amount requested, the total time expended, the names of the individuals who performed the services, and the hourly billing rate for each such individual. Each Monthly Fee Application shall be accompanied by a detailed listing of the time expended by the individuals who performed the services and the costs incurred during the pertinent month or Initial Period, as applicable.
- d. Each Professional electing to file a Monthly Fee Application shall: (1) serve a copy of said Monthly Fee Application on the Notice Parties and (2) serve a notice of said Monthly Fee Application (the “Notice”) on any party who has requested special notice as of the date of the Notice.
- e. Any objection to the payment of fees or reimbursement of expenses in a Monthly Fee Application must be filed with the court and served on the Professional whose Monthly Fee Application is the subject of the objection, and the Notice Parties within fourteen (14) calendar days of the date the Notice was mailed (the “Objection Period”). If no objection is timely filed and served within the Objection Period, the Monthly Fee Application shall be deemed approved on an interim basis, and the Debtors shall be authorized to pay 80% of the fees and 100% of the expenses requested in the Monthly Fee Application without the court holding a hearing or entering any further order thereon. If an objection is timely filed and served, then the Debtors shall be

1 authorized to pay 80% of the fees and 100% of the expenses
2 requested in the Monthly Fee Application that are undisputed.
3 Any disputed amounts shall be considered by the court at the next
4 hearing to be held pursuant to paragraph f. below or at such other
5 time as may be noticed by the Professional whose Monthly Fee
6 Application is the subject of a timely filed written objection.

7 f. Notwithstanding the filing of the Monthly Fee Applications and
8 payment thereof, within thirty days after the end of each three-
9 month period, commencing with the period that ends May 31,
10 2021, each Professional who has elected to file a Monthly Fee
11 Application or is seeking interim compensation shall file with the
12 Court and serve on the Notice Parties an interim fee application
13 with a summary of the activities of the Professional (the "Interim
14 Application"), in accordance with section 331 of the Bankruptcy
15 Code, Bankruptcy Rules 2016 and 2002(a)(6) and the Local
16 Bankruptcy Rules. The Interim Applications may seek approval of
17 up to 100% (including the 20% of fees held back from Monthly
18 Fee Applications) of the requested interim compensation and
19 reimbursement of expenses, including any compensation and
20 reimbursement covered by the Monthly Fee Applications, during
21 the prior three-month period. All subsequent quarterly fee
22 applications and hearings shall be held in accordance with the
23 Local Bankruptcy Rules and the Federal Rules of Bankruptcy
24 Procedure.

25 g. The failure of any party to raise an objection to a Monthly Fee
26 Application shall not be deemed a waiver of such objection for
27 purposes of the Interim Application. The failure of any party to
28 raise an objection to a Monthly Fee Application or Interim
Application shall not be deemed a waiver of such objection for
purposes of final applications for allowance of fees and
reimbursement of expenses pursuant to section 330 of the
Bankruptcy Code. Nothing in this Order or in the interim
procedures set forth herein shall relieve any Professional from the
obligation to file final fee applications.

//END OF ORDER//

ORDER AUTHORIZING INTERIM FEE
APPLICATION AND EXPENSE
REIMBURSEMENT PROCEDURES – Page 4

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1 PRESENTED BY:

2 /s/

3 THOMAS A. BUFORD, III (WSBA 52969)
4 BUSH KORNFELD LLP

5 RICHARD M. PACHULSKI (admitted *pro hac vice*)

6 JEFFREY W. DULBERG (admitted *pro hac vice*)

7 JASON H. ROSELL (admitted *pro hac vice*)

8 PACHULSKI STANG ZIEHL & JONES LLP

9 *Attorneys for Debtors and Debtors in Possession*

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27 ORDER AUTHORIZING INTERIM FEE
28 APPLICATION AND EXPENSE
REIMBURSEMENT PROCEDURES – Page 5

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